

JAMES A. MCGEE ASSOCIATE GENERAL COUNSEL

January 29, 2001

Ms. Blanca S. Bayó, Director Division of Records and Reporting Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

Re: Docket No. 010001-EI;

Request for Confidential Classification.

Dear Ms. Bayó:

Enclosed for filing in the subject docket is Florida Power Corporation's Request for Confidential Classification accompanied by a sealed envelope containing the documents subject to the Request, with the confidential information highlighted. Also enclosed are two copies of the documents with the confidential information redacted. The highlighted portions of the unredacted version should be held as Confidential Information in accordance with Rule 25-22.006, F.A.C.

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. Also enclosed is a 3.5 inch diskette containing the above-referenced Request in WordPerfect format. Thank you for your assistance in this matter.

Very truly yours,

James A. McGee

JAM/scc Enclosure

cc: Parties of record

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FPSC-BUREAU OF RECORDS

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Confidential R COGUMENT NO. 01340-01

Request NO. 01339-01 1.30.01

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost Recovery Clause with Generating Performance Incentive Factor. Docket No. 010001-EI Submitted for filing: January 29, 2001

REQUEST FOR CONFIDENTIAL CLASSIFICATION

Florida Power Corporation (Florida Power or the Company), pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., hereby requests confidential classification of highlighted portions of the documents contained in the sealed envelope enclosed with this request (the Documents). Two public copies of the Documents, with the confidential information redacted, are also enclosed. The Documents were requested by Staff in connection with its Second Request for Production of Documents, Number 4, propounded upon the Company in the subject docket. In support of its request, Florida Power states as follows:

- 1. The highlighted portions of the Documents consist of sensitive pricing information from Florida Power's August 31, 2000 response to FERC Form 580 Interrogatories 3(i), 3(j), 3(k) and portions of 3(l), which was requested by Staff in its Production Request No. 4. At Florida Power's request, this information has recieved confidential treatment from the FERC.
- 2. Interrogatories 3(i) and 3(l) concern prices that Florida Power's affiliated fuel supplier, Electric Fuels Corporation (EFC), pays for coal and transportation, and Interrogatory 3(k) concerns EFC's corporate cost. The disclosure of this information would provide potential sellers of coal and

01339-01 1.30.01 transportation with commercially-sensitive information that could be used to EFC's disadvantage in future negotiations with existing and potential suppliers. Disclosure of the prices that EFC pays for coal and transportation would allow the bids of potential new suppliers to converge on a known going price and, thus, would narrow the range of bids, resulting in possible elimination of a substantially-lower bid. The long-standing practice in the coal, rail, barge and utility industries had been to maintain the confidentiality of coal-supply and coal-transportation contracts. Potential sellers of fuel are intensely interested in the prices that a utility pays for fuel, as the existing prices indicate the level that the utility may be willing to pay for future purchases and the price that suppliers may be willing to pay to renew supply contracts or to increase current contracts. Also, disclosure of EFC's corporate costs would provide competitors with financial data which is not provided publicly to others and which, under the Freedom of Information Act, is privileged or confidential.

- 3. Interrogatory 3(j) concerns the delivered cost of EFC suppiers to International Marine Terminals (IMT) as reported monthly on FERC Form 423. If EFC is required to report the delivered cost of these suppliers, the Gulf barge costs of Dixie Fuels Limited (DFL) from IMT to Crystal River could be mathematically derived by subtracting the cost reported in IN79-6 from the cost reported on FERC 423. The public disclosure of DFL's cost would harm the affiliate in its negotiations with third parties in the competitive environment in which it operates.
- 4. Subsection 366.093(1) provides that any records "found by the commission to be propriety confidential business information shall be kept confidential and shall be exempt from s. 119.07(1) [requiring disclosure under the

Public Records Act]." Proprietary confidential business information includes, but is not limited to, "[i]nformation concerning . . . contractual data, the disclosure of which would impair the efforts of the public utility or its affiliates to contract for goods or services on favorable terms." Section 366.093(3)(d). It also includes "[i]nformation relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information." Section 366.093(3)(e). The designated portions of the Documents fall within these statutory categories and, thus, constitute propriety confidential business information entitled to protection under Section 366.093 and Rule 25-22.006.

5. The designated information for which confidential classification is sought is intended to be and is treated by the Company as private and has not been publicly disclosed.

WHEREFORE, Florida Power respectfully requests that the highlighted information in the Documents contained in the sealed envelope enclosed with this request be classified as confidential for the reasons set forth above.

By

Respectfully submitted,

FLORIDA POWER CORPORATION

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FLORIDA POWER CORPORATION DOCKET NO. 010001-EI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of Florida Power Corporation's Request for Confidential Classification has been furnished to the following individuals by regular U.S. Mail this 29th day of January, 2001

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